

April 11, 2006

VIA ELECTRONIC FILING

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
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Washington, D.C. 20554

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Re: Notice of *Ex Parte* Communication of GrandCentral Ventures, Inc.
CC Docket Nos. 96-45, 98-171, 90-571, 92-237, 99-200, 95-116, 98-170

Dear Ms. Dortch:

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On April 10, 2006, Douglas Orvis of Bingham McCutchen LLP, outside counsel to GrandCentral Ventures, Inc. f/k/a Bonfire Holdings, Inc. ("GrandCentral"), conducted a telephonic *ex parte* conversation with Ian Dillner, Legal Advisor to Chairman Martin.

During this conversation, GrandCentral discussed its concern with the Chairman's numbers-based USF methodology, particularly in light of the effect that such a methodology could have on free services. To the extent that the Chairman's numbers-based USF methodology is enacted, GrandCentral specifically requests that the Commission explicitly endorse the continuation of the current implicit exemption for free services as described in GrandCentral's previous submissions in this docket.

In the conversation, GrandCentral also discussed how an explicit USF exemption for free services would be beneficial to low income consumers. GrandCentral, for example, is launching a pilot project in San Francisco called Project CARE ("Communications and Respect for Everyone") to offer free local telephone and voicemail services to the homeless in San Francisco. If a numbers-based plan does not specifically offer an exemption from contribution for free services, it is unlikely that GrandCentral will be able to offer these free services.

The continued preservation of the implicit free services exemption serves the public interest and furthers the advancement of Universal Service. If a provider is willing to offer services without cost and without subsidy from the USF system, it benefits both the low income consumer as well as the Fund as a whole by both providing services to the consumer, and by decreasing demand for low income support from the Fund.

Many of the concerns that a numbers-based contribution methodology would be harmful to low income consumers can be mitigated by explicitly exempting free services from contribution, as is implicitly the case under the current revenue-based system. Such an exemption is consistent with current proposals in this docket to exempt services provided to lifeline customers from USF contribution. In order to limit the possibility of service providers avoiding their USF contribution requirements by offering voice services

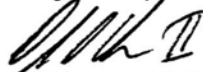
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for free while charging a consumer for other services, GrandCentral recommends that the exemption only be granted for free services to consumers where the service provider has no other billing relationship. Thus, if free services are not required to contribute to USF, these customers will continue to receive the benefits of these services even under a numbers-based system.

By contrast, if GrandCentral (and by extension, any provider of free services) was forced to pay a USF contribution per in-use telephone number on its free services, the free service would become economically non-viable. In that event, GrandCentral would likely cease its plans to expand Project CARE beyond its initial pilot project, a decision that will injure low income consumers who need GrandCentral's free services, but cannot afford to pay for a service substitute.

GrandCentral believes the Chairman's numbers-based can be enacted without significant harm to certain low income consumers if the Commission explicitly endorses an exemption for free services in a numbers-based plan.

Respectfully submitted,



William B. Wilhelm, Jr.
Douglas D. Orvis II

Counsel for GrandCentral Ventures, Inc.

cc: Ian Dillner

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